

# MINUTES

REGULAR MEETING OF  
CITY OF ALAMEDA ECONOMIC DEVELOPMENT COMMISSION  
THURSDAY, MAY 21, 2009  
7:30 PM

- CALL TO ORDER AND ROLL CALL

Chair Zuppan called the meeting to order at 7:40 p.m.

Present: Chair Zuppan. Commission Members: Bonta, Breuer,  
Lindsey, Milgram, and Viehweg

Absent: Commission Members: Dahlberg, Harrison, and Ryan

Staff: Eric Fonstein and Rosemary Valeska

1.a. Introduction of New EDC Member Dennis Viehweg

The Chair welcomed Commission Member Viehweg on behalf of the EDC.

2. MINUTES

2.a. Minutes of the Regular Meeting of April 16, 2009

Since there were three members absent at this meeting and Commission Members Bonta and Viehweg would have to abstain, as they were not in attendance at the April 16 meeting, the Chair directed that this item be continued to the next regular meeting.

3. CONSENT CALENDAR

(None)

4. ORAL COMMUNICATIONS – PUBLIC

(None)

5. UNFINISHED BUSINESS

(None)

6. NEW BUSINESS

6.a. Request for Direction on Suggested Hotel Ordinance

Mr. Fonstein recapped the staff report provided in the agenda packet. This matter was being brought before the EDC at the request of Dhruv and Sima Patel, who are the franchisees of the Hampton Inn & Suites at Harbor Bay Business Park. The Patels were in attendance at this meeting and the Chair invited them to state their concerns:

- There has been a lot of interest by hotel companies in Harbor Bay Business Park due to its proximity to Oakland Airport. A lot of these inquiries have been coming from lower-tier franchises. The park currently has a lot of available land. Higher-tier hotels with conference facilities would be more suitable for the park.
- Ten years ago in Oakland, the supply of hotel rooms exceeded demand along Heggenberger Drive, which caused rates to drop. Crime subsequently increased in the area.
- The Patels would like to see the occupancy at Hampton Inn & Suites stabilize before other hotels come on line.
- Mrs. Patel is in the process of obtaining additional information from PKF Consulting and the Oakland Police Department. She would like to present this information to the EDC in the future.
- An ordinance is not the only vehicle to deal with this problem. Other cities like Monterey and Santa Monica have imposed hotel moratoriums.

Commission Members' comments and questions:

- Commission Member Breuer stated that he was in support of Development Services drafting an ordinance, working with the EDC, and then going forward from there.
- Commission Member Lindsey stated that she had no questions and that the Patels had stated their case well.
- Commission Member Milgram asked if the Patels had commissioned a PKF study. Mrs. Patel stated that ordering a full study would cost \$15-20,000; however, she was working with PKF to obtain information regarding other cities.
- Commission Member Bonta asked how events unfolded in Oakland. Did the Oakland ordinance come too late? Mrs. Patel agreed with that.
- Commission Member Bonta stated that he wanted to see more information about what detrimental impacts have occurred in other cities without this. He would also like to see a study showing the number of rooms that would be sufficient and at what level would one see detrimental impacts, i.e., the "tipping point."
- Commission Member Bonta asked staff what power the City now had to limit hotels without an ordinance. Mr. Fonstein responded that City Planning does not place restrictions on the types of hotels, just where they are located. Commission Member Bonta stated that he wanted to compare a moratorium with an ordinance, and that he needed more information before he could make a decision.

- Commission Member Viehweg commended Hampton Inn & Suites; a number of his company's employees have stayed there. He stated that he did not see an over supply of hotels in Alameda. He noted that Hampton Inn does not have a full service restaurant and that he would like to see future hotels have full service restaurants. He does not want an ordinance that picks winners and losers; however, he would want hotels that have appropriate amenities. Mrs. Patel noted that their licensing agreement does not permit them to have a full service restaurant and that this was one reason why they located at Harbor Bay, as Oakland's ordinance required a full service restaurant.
- The Chair stated that she agreed with the comments made by Commission Members Bonta and Viehweg. She stated that she was not opposed to the idea, but was not convinced at this time that this was the best solution. She stated that she needed to see more evidence and could not recommend at this time to pursue the ordinance. She then asked for a motion.
- Commission Member Bonta asked staff if this was coming to EDC from the City Council or if EDC was seeing this first. Mr. Fonstein responded that it was being presented to EDC first to see if they wanted to recommend it to the City Council. Since there are concerns about the availability of staff and resources, we need to know if EDC sees this as a priority.
- Commission Member Milgram stated that we do not have enough information at this time. She would recommend that any study that the City does on market research should include business needs in terms of hotels. We have hotel needs that are not met. We need more information on how we could have more hotel options without increasing the number of low-end hotels.

Motion (Bonta), seconded, and unanimous that this item be continued to a future meeting once information is available that addresses the Commission Members' questions. We will try to find available information and data from other localities without spending a lot of money.

## 7. REPORTS

### 7.a. Report by Commission Member Harrison, Chair of the Business Retention Subcommittee

As Commission Member Harrison was absent, Commission Member Breuer gave the report regarding the subcommittee's first community forum, which was held on May 19, at the City Council Chambers. Four members of the business community were in attendance and there was a lively discussion. The Chair added that the content of the business survey was currently being reviewed by the City Attorney's office.

7.b. Report by Commission Member Milgram, Chair of the Business Attraction Subcommittee

Commission Member Milgram stated that she was continuing her research for her subcommittee's report.

8. WRITTEN COMMUNICATIONS

8.a. Upcoming EDC Agenda Items

8.b. Redevelopment Magazine

9. ORAL COMMUNICATIONS – COMMISSION MEMBERS AND STAFF

- Mr. Fonstein reported that the Interim City Manager would be presenting the reorganization plans for the City in the near future.

10. ADJOURNMENT

The meeting was unanimously adjourned at 8:44 p.m.

Respectfully submitted,

Rosemary Valeska  
EDC Recording Secretary

RV